

WASHINGTON, DC – Today, Rep. Pete Stark, Ranking Member of the Ways and Means Health Subcommittee, introduced the Medicare Out-of-Pocket Spending Limit Act of 2003. This legislation would protect Medicare beneficiaries from potentially ruinous medical bills by putting a \$2,000 cap on out-of-pocket expenses for services covered under Medicare.

“The bill I am introducing today provides an essential Medicare improvement for all Medicare beneficiaries,” Rep. Stark said. “The Medicare Out-of-Pocket Spending Limit Act will offer seniors the security of knowing that they will never have to pay more than \$2,000 a year in out-of-pocket expenses for Medicare services. It does so without limiting seniors’ choice of physicians or forcing them to leave Medicare and join a private plan. In short, it is real Medicare reform, the kind of reform that seniors and people with disabilities want and need.”

Under Stark’s bill, current and future Medicare beneficiaries will have the option of enrolling in this new, voluntary benefit at an affordable premium. Beneficiaries with incomes below 175% of the federal poverty level would pay reduced or zero premiums. This improvement is needed since Medicare covers only about 52% of seniors’ health costs, leaving many to pay significant medical bills out of their own pockets. Most beneficiaries have annual incomes below \$20,000 and simply cannot afford to spend a growing share of their income on costly medical care.

The Medicare Out-of-Pocket Spending Limit Act has the support of the Alliance for Retired Americans, Center for Medicare Advocacy, Families USA and the Medicare Rights Center.

“Families USA strongly endorses Rep. Stark’s effort to close the most serious loophole in Medicare’s current benefit package by providing the option of a voluntary, affordable, efficiently-delivered catastrophic benefit,” said Ron Pollack, Executive Director of Families USA. “Rep. Stark’s bill, coupled with a comprehensive Medicare prescription drug benefit, would truly bring peace of mind to the nation’s seniors and people with disabilities.”

Concluded Rep. Stark, “An out-of-pocket cap is a benefit ALL seniors and people with disabilities need and deserve. I urge my colleagues to join me in support of this important legislation.”